GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Energy (Power-III) Dept – Extension of Government Guarantee to the APPFCL Bond Series I/2020, II/2020, III/2020 & IV/2020 for an amount of Rs.4,424.60 Crs - Orders – Issued.

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ENERGY (POWER-III) DEPARTMENT

G.O.RT.No. 22 Dated: 25-02-2021.

Read the following:

1. G.O.Ms.No.35, Energy, I&I (Power-III) Dept., dt.30.10.2018.
2. G.O.Ms.No.28, Energy, (Power.III) Dept., dt..05.09.2019.
3. From the MD, APPFCL, Vijayawada, Letter No. MD/AAO/APPFCL /D.No.1598/2020, dt..07.10.2020.
4. From the MD, APPFCL, Vijayawada, Letter No. MD/CFO/APPFCL /D.No.1669/2020, dt..12.11.2020.

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O R D E R:

In the reference 1st read above, Government have issued orders for Rs.5000.00 Crores to APPFCL for raising of funds through the issue of AP Power Bonds and also stand guarantee for repayment of the principal amount on the due dates of the bonds and the payment of interest thereon with the following terms and conditions:-

i. Unconditional and irrevocable Government Guarantee for servicing of the proposed Bonds with name & style of " A.P. Power Bonds" with budgetary support;
ii. Since, liability pertains to Government of Andhra Pradesh, not to charge Guarantee Commission for Government Guarantee.
iii. The Guarantee shall be in force until all the bonds issued by the A.P. Power Finance Corporation Limited or its successor entities pursuant to the above are redeemed.

2. In the reference 2nd read above, the following amendment to the G.O. 1st read above was issued:-

"that the unconditional and irrevocable Government Guarantee for availment of term loan from Banks as well as for issue of bonds in the

interest of reducing the burden of servicing of interest by the APEPDCL and APSPDCL and thereby improving its overall fiscal status".

3. In the references 3rd & 4th read above, the MD, APPFCL has submitted that APPFCL has issued Non-Convertible Bonds (NCDs) of Series I/2019-20 amounting to Rs.4000.00 Crores @ 10.32%, in the year 2019-20. The Board of APPFCL later decided to redeem the NCDs of Rs.4000.00 Crores and has also completed the redemption procedure in the month of April, 2020.

4. He has further submitted that APPFCL has issued NCDs amounting to Rs.4424.60 Crores in four tranches, against Government Guarantee vide GO Ms.No.35, dated 30.10.2018 @ 8.2% & 7.5%, Series I/2020-21 valuing Rs.1789.70 Crores, Series II/2020-21 valuing Rs.2000.00 Crores, Series III/2020-21 valuing Rs.251.90 Crores and Series IV/2020-21 valuing Rs.383.00 Crores. Following are the bond holders for Series I/2020-21, Series II/2020-21, Series III/2020-21 and Series IV/2020-21:-

Row Labels	Sum of AMOUNT (RS. in Crores)	Sum of Quantity
AP GENCO	912.00	9,120.00
AP POWER DEVELOPMENT CORPORATION LIMITED (APPDCL)	210.00	2,100.00
AP SOLAR POWER CORPORATION (APSPCL)	100.00	1,000.00
APEPDCL PENSION AND GRATUITY TRUST	351.00	3,510.00
APEPDCL PROVIDENT FUND TRUST	23.80	238.00
APGENCO PENSION AND GRATUITY TRUST	1,320.40	13,204.00
APGENCO PROVIDENT FUND TRUST	64.70	647.00
APSPDCL PENSION AND GRATUITY TRUST	1,083.00	10,830.00
APTRANSCO	7.70	77.00
APTRANSCO EARNED LEAVE ENCASHMENT TRUST	98.20	982.00
APTRANSCO GRATUITY TRUST	12.50	125.00
APTRANSCO PENSION AND GRATUITY TRUST	202.30	2,023.00
APTRANSCO PROVIDENT FUND TRUST	39.00	390.00
Grand Total	**4,424.60**	**44,246.00**

5. He has requested the Govt., to extend the Government Guarantee to the APPFCL Bond Series I/2020, II/2020, III/2020 & IV/2020 of Rs.4,424.60 Crs.

6. After careful examination, Government hereby extend the Guarantee issued in the reference 1st read above, to the APPFCL Bond Series I/2020, II/2020, III/2020 & IV/2020 of Rs. 4,424.60 Crs mentioned at para 4 above.

7. The Managing Director, A.P.Power Finance Corporation Ltd, shall take necessary action accordingly.

8. This order issues with the concurrence of Finance Department, vide their U.O.No.FIN01-45027/150/2018-SO(FMU(III&C&E)-FINANCE, dt.15.02.2021 (Computer No.463379).

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SRIKANT NAGULAPALLI
SECRETARY TO GOVERNMENT

To

The Managing Director, A.P. Power Finance Corporation Limited,
Vidyut Soudha, Gunadala, Vijayawada

Copy to:-

The General Administration (Cabinet-I) Department
The Finance (FMU, Energy, I&I) Department, for information
The Principal Accountant General (A&E), A.P., Hyderabad.
The Pay & Accounts Officer, Ibrahimpatnam, Vijayawada.
The P.A.to Secretary to Government, Energy dept.,
SF/SCs (C.No.ENE01-14/5/2018-Power-III-E&I&I)
(Computer No.459131)

// FORWARDED:: BY ORDER //

SECTION OFFICER